Patricia M. French
Senior Attorney

NiSource Corporate Services

300 Friberg Parkway
Westborough, Massachusetts 01581
(508) 836-7394
(508) 836-7039 (facsimile)
pfrench@nisource.com

May 31, 2005

BY HAND DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests of the Attorney General:

AG-1-6	AG-1-7	AG-1-14	AG-1-15	AG-1-48	AG-1-58
AG-1-79	AG-2-2	AG-2-3	AG-2-4	AG-2-5	AG-2-6
AG-2-8	AG-2-9	AG-2-12	AG-2-13	AG-2-15	AG-2-16
AG-6-3	AG-6-4	AG-6-13	AG-6-15	AG-6-16	AG-9-39

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Caroline O'Brien Bulger, Esq., Hearing Officer (1 copy)
A. John Sullivan, DTE (7 copies)
Andreas Thanos, Ass't Director, Gas Division
Alexander Cochis, Assistant Attorney General (4 copies)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Witness Responsible: Paul R. Moul, Consultant (Rate of Return)
Stephen H. Bryant, President

AG-1-6: Please provide the following information for the Company for each month of the year 2003 through the present:

(1) the budgeted and actual monthly income statements;

(2) a Statement of Cash Flows; and

(3) the short-term debt balance, short-term interest expense and rate as well as a comparison of the short-term interest rate to the contemporaneous prime rate.

RESPONSE: (1) Please see the following attachments:

Attachment AG-1-6 (1)(a) 2003 Budgeted Income Statement
Attachment AG-1-6 (1)(b) 2003 Actual Monthly Income Statement
Attachment AG-1-6 (1)(c) 2004 Budgeted Income Statement
Attachment AG-1-6 (1)(d) 2004 Actual Monthly Income Statement

(2) Please see the following attachments:

Attachment AG-1-6 (2)(a) 2003 Indirect Cash Flow Summary
Attachment AG-1-6 (2)(b) 2004 Indirect Cash Flow Summary

(3) Please see Attachment AG-1-6 (3) entitled “Bay State Gas Short Term Borrowing,” which sets forth Utility Pool Borrowing and Fuel Financing Pool Borrowing. Borrowing amounts are listed by month with the associated interest expense, interest rate and prime rate.

Bay State Gas Companies
Budgeted Income Statement - summary
BSG0312
2003

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003
GAS REVENUE	58,475	61,587	53,744	34,325	14,612	9,296	10,875	10,447	10,497	19,266	40,967	59,404	383,495
GAS PURCHASE EXPENSE	31,566	37,050	31,527	18,614	7,166	2,438	4,102	3,991	4,130	9,059	20,873	35,085	205,601
PLANT REVENUE	26,909	24,537	22,217	15,711	7,446	6,858	6,773	6,456	6,367	10,207	20,094	24,319	177,894
O & M EXPENSE	8,323	8,061	8,397	7,607	6,705	7,278	6,522	6,433	6,770	6,757	7,119	8,142	88,114
DEPRECIATION	3,262	3,193	3,193	3,193	3,193	3,193	3,213	3,213	3,213	3,213	3,213	3,213	38,505
OTHER TAXES	876	881	933	895	890	940	908	914	965	910	960	958	11,030
PLANT EXPENSE	12,461	12,135	12,523	11,695	10,788	11,411	10,643	10,560	10,948	10,880	11,292	12,313	137,649
OPERATING INCOME BEFORE TAXES	14,448	12,402	9,694	4,016	(3,342)	(4,553)	(3,870)	(4,104)	(4,581)	(673)	8,802	12,006	40,245
INCOME TAXES	5,140	4,349	3,276	1,046	(1,833)	(2,289)	(2,085)	(2,103)	(2,315)	(782)	2,921	4,139	9,464
NET OPERATING INCOME	9,308	8,053	6,418	2,970	(1,509)	(2,264)	(1,785)	(2,001)	(2,266)	109	5,881	7,867	30,781
TOTAL OTHER INCOME	99	110	70	46	54	81	94	112	117	109	86	53	1,031
INCOME BEFORE INTEREST	9,407	8,163	6,488	3,016	(1,455)	(2,183)	(1,691)	(1,889)	(2,149)	218	5,967	7,920	31,812
INTEREST EXPENSE	1,378	1,358	1,345	1,329	1,320	1,298	1,472	1,303	1,371	1,365	1,373	1,439	16,351
N/I BEFORE CHG IN ACCTG PRINCIPLES	8,029	6,805	5,143	1,687	(2,775)	(3,481)	(3,163)	(3,192)	(3,520)	(1,147)	4,594	6,481	15,461
CUM EFT OF CHANGE IN ACCTG PRINCIPLES	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME	8,029	6,805	5,143	1,687	(2,775)	(3,481)	(3,163)	(3,192)	(3,520)	(1,147)	4,594	6,481	15,461

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Witness Responsible: Paul R. Moul, Consultant (Rate of Return)

AG-1-7. Please provide the following information for the years 2003 through 2004:

(1) capitalization table for each of the affiliates of the Company showing the outstanding balances of capital, the capital ratios, and the costs of capital; and

(2) the annual balance sheets and income statements for each of the affiliates of the Company.

Response: Objection. This request seeks information that is not material to a determination of Bay State Gas Company's costs or capital structure and would result in an extraordinary amount of work and documentation that is completely unnecessary to this proceeding. Notwithstanding this objection, but rather, specifically maintaining it, Bay State would state that it has access to and is able to provide the relevant information for Bay State.

The outstanding balances of capital, capital ratios and costs of capital for 2003 and 2004 for Bay State are as follows on Table AG-1-7:

TABLE AG-1-7
BAY STATE GAS COMPANY - As Per Books (Including Acquisition Premium and Investments in Associated Companies)

	2003				2004		
	Amount	Percent	Cost		Amount	Percent	Cost
	$	%			$	%	
Long Term Debt	118,500,000	18.30%	6.42	*	178,500,000	24.37%	6.24
Preferred Stock	0	0.00%	N/A		0	0.00%	N/A
Common Equity	529,215,174	81.70%	11.50		553,812,166	75.63%	11.50
Total	647,715,174	100.00%			732,312,166	100.00%	

* Annual weighted average interest rate on long term debt outstanding at December 31, 2003.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Witness Responsible: Paul R. Moul, Consultant (Rate of Return)

AG-1-14: Please provide the following information for the Company for each of the quarters of 2000 through 2004:

(1) the average book value per share of common stock for the quarter;

(2) the book value per share of the common stock at the end of the quarter; and

(3) the pre-tax interest coverage ratios for the previous twelve months.

Response: (1), (2) Bay State Gas Company is a wholly-owned subsidiary of NiSource, Inc., a publicly traded public utility holding company. Bay State does not issue publicly-traded common stock.

(3) The pre-tax interest coverage ratios for Bay State Gas Company for 2000, 2001, 2002, 2003, and 2004 are 1.91, 2.42, 1.86, 4.39, and 3.91, respectively. Please refer to Exhibit BSG/PRM-2 Schedule PRM-2.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Paul R. Moul, Consultant (Rate of Return)

AG-1-15: Please provide NISOURCE's market-to-book ratio for each of the months of 2000 through 2005.

Response: Please see Attachment AG-1-15. The year 2000 data relates solely to the post-merger period.

NiSource

	Book Equity	Mkt Cap	Mkt to Book
04/30/05	4,951.9	6303.715	1.273
03/31/05	4,943.0	6181.655	1.251
02/28/05	4,903.8	6126.958	1.249
01/31/05	4,813.9	6197.321	1.287
12/31/04	4,787.1	6004.528	1.254
11/30/04	4,743.6	5743.576	1.211
10/31/04	4,567.5	5654.027	1.238
09/30/04	4,503.3	5535.895	1.229
08/31/04	4,458.2	5480.563	1.229
07/31/04	4,519.6	5452.513	1.206
06/30/04	4,500.7	5431.44	1.207
05/31/04	4,502.3	5336.614	1.185
04/30/04	4,553.0	5294.621	1.163
03/31/04	4,526.4	5580.888	1.233
02/29/04	4,529.7	5701.697	1.259
01/31/04	4,446.5	5515.23	1.240
12/31/03	4,415.9	5758.478	1.304
11/30/03	4,307.8	5446.145	1.264
10/31/03	4,266.2	5435.277	1.274
09/30/03	4,253.7	5250.633	1.234
08/31/03	4,191.6	5082.445	1.213
07/31/03	4,251.2	5064.146	1.191
06/30/03	4,257.3	4988.746	1.172
05/31/03	4,618.1	5148.911	1.115
04/30/03	4,670.0	4954.88	1.061
03/31/03	4,634.5	4529.255	0.977
02/29/03	4,666.6	4129.837	0.885
01/31/03	4,248.7	4332.184	1.020
12/31/02	4,174.8	4875.84	1.168
11/30/02	4,146.3	4751.506	1.146
10/31/02	3,367.4	3430.546	1.019
09/30/02	3,343.0	3577.985	1.070
08/31/02	3,520.2	4130.361	1.173
07/31/02	3,575.2	4108.941	1.149
06/30/02	3,579.7	4530.212	1.266
05/31/02	3,530.2	5028.266	1.424
04/30/02	3,430.0	4586.243	1.337
03/31/02	3,567.1	4762.246	1.335
02/29/02	3,358.4	4355.536	1.297
01/31/02	3,303.4	4301.314	1.302
12/31/01	3,469.4	4768.669	1.375
11/30/01	3,054.8	4321.993	1.415
10/31/01	2,956.7	4910.038	1.661
09/30/01	3,418.0	4819.073	1.410
08/31/01	2,945.3	5211.876	1.770
07/31/01	3,038.2	5443.867	1.792
06/30/01	3,483.0	5644.191	1.621
05/31/01	2,984.5	6464.076	2.166
04/30/01	3,084.9	6129.928	1.987
03/31/01	3,511.7	6343.292	1.806
02/29/01	3,135.4	5835.747	1.861
01/31/01	3,091.7	5483.115	1.774
12/31/00	3,409.1	6266.85	1.838

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL.
D.T.E. 05-27

Date: May 31, 2005

Responsible: John Skirtich, Consultant (Revenue Requirements)

AG 1-48: Please provide the latest actuarial reports used to determine the Company's pension cost and post retirement benefits other than pension costs.

Response: The following is a list of the attachments of the requested actuarial reports:

Attachment AG-01-48 (a) - Pension Plan for Operating Employees of Bay State Gas Company

Attachment AG-01-48 (b) – Bay State Gas Company Pension Plan

Attachment AG-01-48 (c) – Bay State Gas Company Supplemental Executive Retirement Plan

Attachment AG-01-48 (d) – Bay State Gas Company Union Postretirement Welfare Benefits

Attachment AG-01-48 (e) - Bay State Gas Company Nonunion Postretirement Welfare Benefits

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirement)

AG-1-58: Please itemize and quantify all conservation and load management costs incurred by the Company during the test year. Please also provide a complete accounting of year 2003 and year 2004 costs including an indication of the amounts of each activity's costs that are included in operations and maintenance expenses.

Response: The Company has not included any conservation and load management costs in its test year operation and maintenance expense. Bay State recovers 100 percent of its demand-side management ("DSM") program costs through its Conservation Charge, which is part of the Company's Local Distribution Adjustment Factor.

Below is a list of attachments related to the Company's most recent DSM Conservation Charge filings:

Attachment AG-01-58 (a) effective May 1, 2004

Attachment AG-01-58 (b) effective November 1, 2004

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 26, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

AG-1-79: Please provide in list form the details of all judgments and/or settlements resulting from suits brought which involved NiSource and/or the Company as a defendant, which resulted in NiSource and/or the Company, in each of the years 2003 and 2004, paying or agreeing to pay or being ordered to pay an amount in excess of $5,000, including but not limited to the case name, the date filed, the date of settlement or the date of judgment and the amount NiSource and/or the Company was ordered or agreed to pay. Provide this information even if appeals are pending and note every instance of an appeal.

Response: Objection. To the extent this information contains information that is expressly confidential pursuant to the terms of any settlement, such information is confidential to Bay State and may not be revealed.

Information relative to Bay State is not maintained in a single list. Once Bay State compiles the requested information, it will provide it.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 25, 2005

Responsible: Danny G. Cote, General Manager

AG-2-2 Label the level of soil corrosivity on the system maps produced in response to AG-2-1(e) for each of the Company's separate service areas.

Response: Bay State does not test soil corrosivity in order to determine the particular level of corrosion in its system at the location being tested. It does rarely test for soil resistivity, which is a measure of ohm resistance (resistivity). The relationship is that low resistivity soils or environments, under 20,000 ohms, tend to be soils that produce more corrosion on underground steel systems. Therefore, in response to the request, Bay State does not mark levels of soil corrosivity on its system maps.

With regard to system map information in general, it is important to note that Bay State's system maps are proprietary to the Company, integral to the day-to-day operational integrity and safety of its business, can be duplicated only at significant expense, and the removal of such maps from operational centers and the transportation of such vital information to third parties is not recommended under corporate security rules. The Company will work diligently with the Attorney General to ensure the AG's ability to review these maps in a timely and coordinated fashion at the Company's various operational centers.

Generally soil survey books can be purchased from the United States Department of Agriculture Soil Conservation Service. For the Attorney General's information, these same soil surveys are available on line at the website of the U.S. Department of Agriculture: www.ma.nrcs.usda.gov/technical/soilsinfo.html.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-3 Produce copies of all reports, memorandums and analysis of soil corrosivity performed before or during the installation of the bare steel mains and services that are the subject of the Company's proposed replacement program.

Response: In the 1950's, when Bay State installed its last bare steel pipe, soil corrosivity studies were not performed at the time of installation.

To provide context, the current standards and practices that include corrosion monitoring and leak surveying for bare steel pipe were instituted in compliance with the Pipeline Safety Act, under Fed. Reg. Ch. 49, part 192.465 in 1971 and thereafter. The result of Part 192 was that companies only installed coated steel and cathodically protected all new coated steel that was installed. Existing bare and coated steel has been cathodically protected if it was reasonable to do so, replaced, or actively monitored in accordance with the regulations after 1971. Bay State does not test soil corrosivity in order to determine the particular level of corrosion in its system at the location being tested. It does very rarely test for soil resistivity, which is a measure of ohm resistance (resistivity). As stated in response to AG-2-2, the relationship is that low resistivity soils or environments, under 20,000 ohms, tends to be soil that produces more corrosion on underground steel systems.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-4 Produce copies of all reports, memorandums and analysis related to soil corrosivity in the Company's service territories prepared by outside experts or consultants.

Response: Any corrosivity analysis is used to determine areas with low resistivity, which informs the placement of anodes for maximum efficiency when installing ground beds for cathodic protection. When this analysis is necessary, it is usually contracted to an outside consultant. All reports, memoranda and analyses related to the corrosivity in the soil would be produced as each relates to the individual project considered.

Note that as a general matter, Bay State does not test soil corrosivity in its service territory. Bay State meets its compliance requirements by the study of its corrosion and leak history records as provided for in CMR 49 Part 192.457 (b)(3).

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-5 Produce copies of all reports, memorandums and analysis related to soil corrosivity in the Company's service territories prepared by Company employees.

Response: Please see Bay State's response to AG-2-4.

Please note that occasionally soil corrosivity studies are performed internally on a project-by-project basis by contracted Corrosion/Leakage Specialist. As with the materials contained in AG-2-4, these documents are maintained on a project by project or segment by segment fashion and cannot be produced en masse because of the volumes of materials involved.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-6 Describe the Company's corrosion monitoring program for bare steel developed before or during the installation of the bare steel mains and services that are now the subject of the Company's proposed replacement program.

Response: Bay State installed its last bare steel pipe in the 1950's. The current standards and practices that include cathodic protection, corrosion monitoring and leak surveying for bare steel pipe were instituted in compliance with the Pipeline Safety Act, under Fed. Reg. Ch. 49, part 192.465 in 1971 and thereafter. The result of Part 192 was that companies only installed coated steel and cathodically protected all new coated steel that was installed. Existing bare and coated steel has been cathodically protected if it was reasonable to do so, replaced, or actively monitored in accordance with the regulations after 1971.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-8 Produce all Company training materials, employee handbooks and engineering guidelines that reference the corrosion monitoring program for the years 1995 to 2005.

Response: Bay State's primary field operations training is training of field operations leaders and employees relative to the expectations, standards, policies and guidelines contained in Bay State's Operating & Maintenance Procedures (O&M) Manual. Since the guide for all operations activity is embodied in the O&M manual, Bay State's training program focuses on the periodic review of discrete segments of the manual, and for corrosion monitoring those sections as described in AG-02-07. In general, sections of the O&M Manual that would pertain to corrosion monitoring would also reference leak surveying, emergency response, pipe condition, and records maintenance, among others. Attachment AG-02-08 (a) provides a list of specific procedures that together would constitute Bay State's "corrosion monitoring program;" along with dates of previous, additions, deletions and revisions, and the effective date of the current procedure(s).

Please note that while Bay State maintains a four person corrosion team consisting of a corrosion manager and three (3) corrosion technicians, these individuals generally monitor data and performance; they are not corrosion experts. The function of corrosion analysis has been outsourced to expert third-party firms since 1995. For particular in-field training, Bay State engineers partner with Bay State's outside consultant, who is an expert in the field. In the field they learn and reinforce their understanding of watch readings, testing, voltage, test anodes, rectifiers, and records management. In this way, Bay State provides in-field hands-on training regarding corrosion monitoring.

Attachment AG-02-08(b) includes all of the corrosion monitoring program-related procedures, both current and obsolete, referred to in Attachment AG-2-8 (a). Since Attachment AG-02-08(b) is a bulk filing, it is being provided in hardcopy to the Attorney General and the Department and will be provided to any other party upon request.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-9 Produce copies of all reports, memorandums and analysis related to corrosion monitoring programs performed before or during the installation of the mains and services that are now the subject of the Company's proposed replacement program.

Response: See Bay State's Response to AG-2-7.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-12 Describe the Company's replacement program related to bare steel corrosion developed before or during the installation of the bare steel mains and services that are now the subject of the Company's proposed replacement program.

Response: Bay State has consistently adhered to good utility practice in light of the facts known to it at the time.

Bay State interprets the question as asking generally what programs for replacement are applicable to Bay State's steel infrastructure. Note that Bay State Gas has replacement programs and policies for all pipe materials including cast iron, bare steel, coated steel with and without cathodic protection, and plastic. The methods used for Bay State's operational evaluation of the need for repair or replacement of any given facility are consistent as set forth below, throughout Bay State's distribution system or service areas.

Bay State replaces all underground pipes, as needed, pursuant to a five-prong approach. The five prongs are (1) Performance; (2) Capacity (or Betterment); (3) Opportunistic Replacement; (4) Code or Regulatory Compliance and (5) the SIR. Note that at all times Bay State seeks balance its system integrity and reliability with best cost operations techniques and endeavors not to replace any infrastructure before the end of its useful life. Because Bay State's bare steel was installed in a narrow window of years, it will be removed in a narrow window of years, consistent with the entire class reaching the end of its useful life.

Under the Performance approach, the offending pipe (regardless of type) is replaced in order to make the system safe. In other words, where a pipe is leaking and cannot be safely repaired based on Bay State's managerial and operational judgment, the pipe is promptly replaced. With regard to an evaluation of pipe condition and performance history, Bay State evaluates the important criteria assigned to each pipe segment. In general, pipe performance criteria includes pipe condition, leakage rates, cast iron assessment of graphitization (per O&M 14.15, although a very rare occurrence), and reliability or deliverability issues that can result in poor or uneven pressure in the pipe. In addition, Bay State examines high leakage rate segments on a segment by segment basis to assess pipe integrity and evaluate whether or not a pipe segment or service

should be replaced. Leaking bare steel services should be replaced with cathodically protected coated steel pipe or plastic pipe.

Under the Capacity approach, the pipe is replaced (or "uprated") in order to ensure better system reliability and deliverability. In these instances, system planning has determined that uprating is necessary in order ot ensure consistent pressure and deliverability to meet the natural gas needs of a particular neighborhood, town or region. As part of its on-going evaluation of the performance of the distribution system deliverability and reliability, Bay State continually reviews distribution system information to identify potential pressure problems. In addition, Bay State continually evaluates the impact of proposed new business projects that may request Bay State's natural gas service. Where necessary, deliverability is assured by appropriate long-term planning, which may include changing through replacement pipe diameter to uprate system pressure. Both of these methods result in increased system capacity, reliability and pressure. When Bay State uprates system pressure it normally undertakes a complete system evaluation to determine the integrity of the affected pipe and the feasibility of replacement of any poorly performing mains and services.

Under the "Opportunistic" approach, deteriorating and aging facilities are replaced under streets already planned to be breached by the construction of the municipality, the State, or another company or utility. In order to ensure the pursuit of contemporaneous or anticipated municipal or state construction programs, Bay State's O&M procedures require pipes within or near municipal or state construction project boundaries are required to be replaced under the Company's O&M procedures (unless Bay State never finds out about the opening). The projects envisioned include road reconstruction, bridge work, water and sewer work. In this way, Bay State is able to share and sometimes avoid the significant expense of street openings, street cuttings, street repavings, resurfacings and street cutting moratoriums. In sum, this approach avoids the event of replacement during the inevitable moratorium that follows street reconstruction and resurfacing, it ensures that subsurface work by the municipality does not disturb Bay State's facilities, and it capitalizes on the sunk cost of street opening, which is then shared by all utilities seeking underground access and the municipality. Bay State meets on an annual basis with the cities and towns within which it operates and obtains detailed information on the municipal utility and public works street reconstruction and surfacing plans for that year. Armed with that information, Bay State reviews the leak history of poorly performing segments of the system and determines how best to align its repair and replacement activities with the efforts of the municipality, in order to minimize cost, increase efficiency and reduce public inconvenience. Bay State calls this method the "opportunistic" method because Bay State gears itself to seize the opportunities for the most cost effective repairs and replacements.

Under the Compliance approach for replacement, Bay State replaces mains and services due to code related or regulation issues, such as inadequate depth of cover and the cast iron replacement and abandonment program. For example, when municipalities undertake complete street reconstruction, it is sometimes determined that Bay State's main has insufficient cover. At that point the main may be relocated and replaced or replaced and retrenched. With regard to cast iron in particular, all construction encroachments of cast iron pipe, based on O&M criteria and Department regulations, induce pipe replacement. This latter replacement may be both opportunistic and compliant.

Finally, under the SIR, as Bay State's initial filing indicates, Bay State replaces aging steel infrastructure based on a geographic replacement model in order to maximize competitive bidding and least-cost construction techniques.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-13 Describe the Company's replacement program for all types of materials (cast iron, bare steel, coated steel with cathodic protection, coated steel without cathodic protection and plastic) used in Company's distribution system by service area and provide the year when the program went into effect, and the dates of any changes to the program.

Response: See Bay State's response to AG-2-12.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-15 Produce copies of all reports, memorandums and analysis related to the replacement program for bare steel corrosion preformed before or during the installation of the bare steel mains and services that are now the subject of the Company's proposed replacement program.

Response: See Bay State's response to AG-2-12.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-2-16 Produce copies of all reports, memorandums and analysis related to the mains and services replacement program in the Company's service territories prepared by outside experts.

Response: Please see Attachment AG-2-16.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-6-3 Does the Company have any bare steel mains installed before August 1, 1971 without cathodic protection? If "yes", state the number of feet of such main currently in service, and state all facts that demonstrate that the Company has complied with Title 49, Subpart I, § 192.457 of the Code of Federal Regulation. Produce all orders, decisions, letters, directives and approvals from all federal and state regulatory agencies, including the Department of Telecommunications and Energy, excusing the Company from retrofitting cathodic protection on the bare steel mains installed before August 1, 1971.

Response: Yes. Bay State does have bare steel mains in the ground that were installed before August 1, 1971 and are without cathodic protection at the current time.

As of the most recent assessment, there are 2,518,560 feet of bare steel mains in Bay State's system that continue to provide service to Bay State's customers pending their removal from service.

Contrary to the premise of the question, no state or federal requirement mandates or has mandated that each and every bare steel main in Bay State's system be "retrofit" with cathodic protection. While each steel main was evaluated after 1971 for whether it was a good candidate for cathodic protection, not every steel main (bare or coated) was or is a suitable candidate for cathodic protection. Where such unprotected steel remains, it is Bay State's operating policy, as the operator in charge of the remaining non-cathodically protected portions of its system, consistent with state and federal requirements and good utility practice, to monitor all remaining unprotected steel mains and evaluate each for active corrosion using annual leakage surveys. Bay State undertakes this activity in compliance with Title 49, Subpart I § 192.457, and has done so from August 1, 1971 to the latest revison of this regulation.

If Bay State determines that an area of active corrosion exists, then the unprotected steel main is removed and replaced.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-6-4 Does the Company have any coated steel mains without cathodic protection installed before August 1, 1971? If "yes", state the number of feet of such main currently in service and state all facts that demonstrate that the Company has complied with Title 49, Subpart I, §192.457 of the Code of Federal Regulation. Produce all orders, decisions, letters, directives and approvals from all federal and state regulatory agencies, including the Department of Telecommunications and Energy, excusing the Company from retrofitting cathodic protection on the coated steel mains installed before August 1, 1971.

Response: Yes. Bay State does have coated steel mains in the ground that were installed before August 1, 1971 and are without cathodic protection at the current time.

As of December 31, 2004, the most recent assessment, there are 559,680 feet of unprotected coated steel mains in Bay State's system that continue to provide service to Bay State's customers pending their removal from service. This inventory of coated unprotected steel main has been determined to have ineffective coating and is treated by Bay State, for the purpose of monitoring, evaluation and replacement, as the same as bare steel. Pursuant to Title 49, Subpart I § 192.457, steel pipe is not considered to have an effective external coating if, in order to provide cathodic protection, a level of electric current is required that is substantially the same as if it were bare. This is the case for the cited 559,680 feet of coated steel mains in Bay State's system that are without cathodic protection.

Contrary to the premise of the question, no state or federal requirement mandates or has mandated that each and every coated steel main in Bay State's system be "retrofit" with cathodic protection. While each coated steel main was evaluated after 1971 for whether it was a good candidate for cathodic protection, not every steel main (bare or coated) was or iws a suitable candidate for cathodic protection. As indicated in Bay State's response to AG-6-3, where such unprotected steel remains, it is Bay State's operating policy, as the operator in charge of the remaining non-cathodically protected portions of its system, consistent with state and federal requirements and good utility practice, to monitor all remaining

unprotected steel mains and evaluate each for active corrosion using annual leakage surveys. Bay State undertakes this activity in compliance with Title 49, Subpart I, §192.457, and has done so from August 1, 1971 to the latest revision of this regulation.

If Bay State determines that an area of active corrosion exists, then the unprotected coated steel main is replaced.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-6-13 By year from 1995 to 2005, please identify the personnel working in the Company's sales department.

Response: Please see Table AG-6-13.

TABLE AG-6-13

1995

Black, Todd
Byrne, Kimberly
Call, Douglas
Clement, Cindy Lou A
Currie, Susan
DeAngelo, Victor A
Derosier, John C
Des Roches, Gil
Donnelly, James
Dorr, George
Farnsworth, Bruce
Fonseca, Karen
Furtado, Edward J
Gage, Julie A
Dorrer, Kristen
Giguere, Paul R
Giuliano,Gene L
Hansen, Ray
Haywood, Barbara L
Henriques,Jose M
Kaszanek, Mary
Kulig, Ruth
Leary, Thomas R
Lupo, Alfio
Macleod, Alan J
Madore, Bruce
Madura, Gail C
Marco, Amparo M
Paine, Fred
Poulin,Martin G
Rice, David E
Ruscetta, Lisa
Senna, Linda
Sevigny,Philip J
Tappen,Paul W
Thompson, Alphonse
Tourgee, Robert
Vazquez, Evelyn
Wardyga, Laurene M
Ware, Ruth
White, Kathryn
Whittemore, Janice
Royle, Kathleen

1996

Byrne, Kimberly
Call, Douglas
Clement, Cindy Lou A
Currie, Susan
DeAngelo, Victor A
Derosier, John C
Des Roches, Gil
Dorr, George
Dyer,Patricia A
Farnsworth, Bruce
Fonseca, Karen
Furtado, Edward J
Gage, Julie A
Dorrer, Kristen
Giguere, Paul R
Giuliano,Gene L
Hayes, Kristin
Haywood, Barbara L
Henriques,Jose M
Kaszanek, Mary
Keigher, Terrence
Kulig, Ruth
Lawlor, Kathleen
Leary, Thomas R
Lupo, Alfio (LTD)
Macleod, Alan J
Madura, Gail C
Marco, Amparo M
Paine, Fred
Poulin,Martin G
Rice, David E
Robinson,Gary W
Sevigny,Philip J
Smith,Michael T
Tappen,Paul W
Vazquez, Evelyn
Wardyga, Laurene M
Ware, Ruth
White, Kathryn
Whittemore, Janice

1997	1998	1999	2000
Byrne, Kimberly	Byrne, Kimberly	Byrne, Kimberly	Byrne, Kimberly
Call, Douglas	Call, Douglas	Call, Douglas	Call, Douglas
Clement, Cindy Lou A	Clement, Cindy Lou A	Clement, Cindy Lou A	Calogero, Colleen E
Corcoran, Kathleen	Corcoran, Kathleen	Coo, Janet M	Clement, Cindy Lou A
DeAngelo, Victor A	DeAngelo, Victor A	DeAngelo, Victor A	Coo, Janet M
Derosier, John C	Derosier, John C	Derosier, John C	DeAngelo, Victor A
Des Roches, Gil	Dyer,Patricia A	Dyer,Patricia A	DeLoyd, Anna
Dyer,Patricia A	Errante, Brian J	Edson, Dean	Derosier, John C
Errante, Brian J	Farnsworth, Bruce	Errante, Brian J	Dyer,Patricia A
Farnsworth, Bruce	Fonseca, Karen	Farnsworth, Bruce	Edson, Dean
Fonseca, Karen	Furtado, Edward J	Fonseca, Karen	Errante, Brian J
Furtado, Edward	Gage, Julie A	Furtado, Edward J	Fonseca, Karen
Gage, Julie A	Dorrer, Kristen	Gage, Julie A	Furtado, Edward J
Dorrer, Kristen	Giguere, Paul R	Dorrer, Kristen	Gage, Julie A
Giguere, Paul R	Giuliano,Gene L	Giguere, Paul R	Gallagher, Kristen L
Giuliano,Gene L	Haywood, Barbara L	Giuliano,Gene L	Giguere, Paul R
Haywood, Barbara L	Haseltine, George	Haywood, Barbara L	Giuliano,Gene L
Henriques,Jose M	Henriques,Jose M	Haseltine, George	Haywood, Barbara L
Kaszanek, Mary	Kaszanek, Mary	Henriques,Jose M	Henriques,Jose M
Keigher, Terrence	Rand,Kristina	Kaszanek, Mary	Rand,Kristina (Katsonis)
Kurchner, James	Keigher, Terrence	Rand,Kristina	Leary, Thomas R
Lawlor, Kathleen	Kurchner, James	Keigher, Terrence	Macleod, Alan J
Leary, Thomas R	Lawlor, Kathleen	Kurchner, James	Madura, Gail C
Lupo, Alfio (LTD)	Leary, Thomas R	Lawlor, Kathleen	Marco, Amparo M
Macleod, Alan J	Lupo, Alfio (LTD)	Leary, Thomas R	McCarthy, James F
Madura, Gail C	Macleod, Alan J	Lupo, Alfio (LTD)	McHugh, Angela M
Marco, Amparo M	Madura, Gail C	Macleod, Alan J	Moreira,Ronald J
McCarthy, James F	Marco, Amparo M	Madura, Gail C	Pareto,Vittorio E
Poulin,Martin G	McCarthy, James F	Marco, Amparo M	Prosper, Bevalie J
Prosper, Bevalie J	Poulin,Martin G	McCarthy, James F	Rice, David E
Rice, David E	Prosper, Bevalie J	Moreira,Ronald J	Richardson, Lisa M
Robinson,Gary W	Rice, David E	Prosper, Bevalie J	Robidoux, Jennifer S
Sevigny,Philip J	Robinson,Gary W	Rice, David E	Sevigny,Philip J
Smith,Michael T	Sevigny,Philip J	Sevigny,Philip J	Tappen,Paul W
Tappen,Paul W	Tappen,Paul W	Tappen,Paul W	Vazquez, Evelyn
Vazquez, Evelyn	Vazquez, Evelyn	Vazquez, Evelyn	Wajer, Erin
Wardyga, Laurene M	Wardyga, Laurene M	Wardyga, Laurene M	Wardyga, Laurene M
Ware, Ruth	Ware, Ruth	Ware, Ruth	Ware, Ruth
White, Kathryn	White, Kathryn	Whittemore, Janice	
Whittemore, Janice	Whittemore, Janice		

2001	2002	2003	2004
Beaulieu,David A	Burke, Laurel J	Beaulieu,David A	Beaulieu,David A
Byrne, Kimberly	Coo, Janet M	Burke, Laurel J	Burke, Laurel J
Call, Douglas	Derosier, John C	Coo, Janet M	Coo, Janet M
Calogero, Colleen E	Dyer,Patricia A	Dyer,Patricia A	DeAngelo, Victor A
Clement, Cindy Lou A	Elliott,Leigh A	Elliott,Leigh A	Dyer,Patricia A
Coo, Janet M	Errante, Brian J	Hartley-Murray,Linda S	Elliott,Leigh A
DeAngelo, Victor A	Furtado, Edward J	Hicks,Marie C	Furtado, Edward J
DeLoyd, Anna	Giguere, Paul R	Hodsdon,Ryan J.	Giguere, Paul R
Derosier, John C	Giuliano,Gene L	Jones,Mary Beth	Harn,Michael J
Dyer,Patricia A	Hanlon,Mary Jo A	Kady Jr,Paul D	Hartley-Murray,Linda S
Edson, Dean	Hartley-Murray,Linda S	Katsonis,Kristina	Hicks,Marie C
Errante, Brian J	Henriques,Jose M	Mikolon,Susan B	Hodsdon,Ryan J.
Fonseca, Karen	Hicks,Marie C	Moreira,Ronald J	Jones,Mary Beth
Furtado, Edward J	Inglis,Jeffrey R	Needham, Liam	Kady Jr,Paul D
Giguere, Paul R	Jones,Mary Beth	Petrosino,Alexander A	Katsonis,Kristina
Giuliano,Gene L	Kady Jr,Paul D	Poulin,Martin G	Lopez, David
Hanlon,Mary Jo A	Katsonis,Kristina	Ramstrom, Deana	Needham, Liam
Haywood, Barbara L	Mikolon,Susan B	Robinson,Loribeth	Petrosino,Alexander A
Henriques,Jose M	Petrosino,Alexander A	Sevigny,Philip J	Poulin,Martin G
Katsonis,Kristina	Poulin,Martin G	Smith,Michael T	Ramstrom, Deana
Leary, Thomas R	Robinson,Loribeth		Robinson,Loribeth
Madura, Gail C	Smith,Michael T		Sevigny,Philip J
Marco, Amparo M	Tappen,Paul W		Smith,Michael T
McHugh, Angela M	Withka,Mary		
Pareto,Vittorio E	Zilonis,Stephen A		
Poulin,Martin G			
Prosper, Bevalie J			
Rice, David E			
Richardson, Lisa M			
Sevigny,Philip J			
Tappen,Paul W			
Vazquez, Evelyn			
Vigneault, Lisa			
Wardyga, Laurene M			
Ware, Ruth			
Zenni, Matt			
Zilonis,Stephen A			

2005

Beaulieu,David A
Burke, Laurel J
Coo, Janet M
DeAngelo, Victor A
Dyer,Patricia A
Elliott,Leigh A
Furtado, Edward J
Giguere, Paul R
Harn,Michael J
Hartley-Murray,Linda S
Hicks,Marie C
Hodsdon,Ryan J.
Kady Jr,Paul D
Katsonis,Kristina
Lopez, David
Needham, Liam
Petrosino, Alexander
Poulin,Martin G
Ramstrom, Deana
Robinson,Loribeth
Sevigny,Philip J
Smith,Michael T

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-6-15 By year from 1995 to 2005, please identify the Company's suppliers of mains and services by name, address, telephone number and sales representative.

Response: Below is the requested list of suppliers and contact information that have provided Bay State with its mains and services between 1995 and 2005.

RINKER / US POLYPIPE P.O. BOX 730030 DALLAS TX 75373-0030	CHARLES WOOLFOLK 1-800-433-5632	2000 TO 2005
PERFORMANCE PIPE 5085 WEST PARK BLVD SUITE 500 (75093) P.O. BOX 269006 PLANO TX. 75026	ROGER LABEL 508-832-6633	1996 TO 2001
PHILLIPS PETROLEUM P.O. BOX 910594 DALLAS TX 75391-0594	JOSIE SALINAS 800-401-7473	1999
POWER & PROCESS 1168 FARMINGTON AVE P.O. BOX 7117 KENSINGTON CT 06037	CRAIG SUNDQUIST 860-828-0250	1995

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Danny G. Cote, General Manager

AG-6-16 By year from 1995 to 2005, state the number of services and feet of mains purchased from each of the suppliers listed in the response to AG 6-15.

Response: The following is a list of attachments containing the requested information:

Attachment AG-06-16 (a) – Rinker / US Polypipe

Attachment AG-06-16 (b) – Performance Pipe

Attachment AG-06-16 (c) – Phillips Petroleum

Attachment AG-06-16 (d) – Power & Process

The Company notes that both mains and services are provided in terms of feet.

Bay State Gas Company
Main and Service Pipe Purchased
(Feet)

POWER & PROCESS

TOTAL FEET OF SERVICE PIPE PURCHASED 154,550

TOTAL FEET OF MAIN PIPE PURCHASED 52,420

1/2" PLASTIC PIPE

	1995	1996
SPRINGFIELD	108,000	
BROCKTON		
LAWRENCE		
	108,000	**0**

1-1/4" PLASTIC PIPE

	1995	1996
SPRINGFIELD	46,550	
BROCKTON		
LAWRENCE		
	46,550	**0**

2" PLASTIC PIPE COIL

	1995	1996
SPRINGFIELD	29,400	
BROCKTON	4,900	
LAWRENCE		
	34,300	**0**

4" PLASTIC PIPE

	1995	1996
SPRINGFIELD	13,960	
BROCKTON		
LAWRENCE		
	13,960	**0**

Bay State Gas Company
Main and Service Pipe Purchased
(Feet)

POWER & PROCESS

6" PLASTIC PIPE

	1995	1996
SPRINGFIELD	4,160	
BROCKTON		
LAWRENCE		
	4,160	**0**

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: May 31, 2005

Responsible: Stephen H. Bryant, President

AG-9-39 Please describe all claims and disputes between the Company and any gas suppliers, gas transporters (pipeline or trucker) and gas storage providers that are occurred during and after the test year. Provide the estimated dollar amounts for each claim/dispute and the current status of each dispute.

Response: The Company does not have any disputes with either suppliers or transporters dating back to the commencement of the test year.